

## Market comment 13<sup>th</sup> December 2012 - a personal view of Brian Tora

December is a funny month for markets - and thus investors. Company news tends to be sparse, with a calendar year end the favourite accounting period for corporations. Trading statements and economic news equally tend to arrive once the New Year starts. Yet shares have a tendency to rise, possibly because professional investment managers use the festive season to tidy up their portfolios and spend any spare cash left lying around.

Europe provided its own bit of spice, with the news that Mario Monti is to step aside and allow Silvio Berlusconi to throw his hat back into the ring. It did little to encourage Italian investors, though other markets have held up well.

Elsewhere, though, news is at a premium, so perhaps a glance back at the year just ending might be appropriate, given that this is probably the last opportunity I will have to share my thoughts with you before 2013 is upon us.

2012 started with a feel of promise, given that 2011 had proved tough, losing investors money. The better tone with which the year started soon faded, though, as Europe's seemingly insoluble problems cast a long shadow over investment sentiment. By the middle of the year markets were in negative territory as economic news disappointed and uncertainty over the future of the European single currency zone built.

A more promising outcome for US economic activity, coupled with Olympic Games success

here in the UK, combined to reverse attitudes and even resulted in an unexpected boost to our domestic GDP numbers. 2012 turned into a game of two halves, with better news boosting confidence as we reached high summer. Even Europe encouraged as Greece saw its anticipated ejection from the Euro deferred, with last minute accord being reached amongst Eurozone nations.

So we reach the depths of winter with our own FTSE 100 Index likely to deliver a modest positive outcome for the year as a whole. Not all our troubles are behind us, but we have a new - foreign, but highly respected - Governor of the Bank of England and a greater degree of co-operation across the Channel than we might have thought possible. 2013 will double be no less of a challenge than the year just ending. Let us hope we all enjoy a Happy - and Prosperous - New Year.

*Brian Tora, who is a respected writer and broadcaster on investment issues, is a consultant to JM Finn & Co. Brian has enjoyed a long and distinguished career in the City. Any opinions expressed are his own and should not be construed as advice from JM Finn & Co. A version of this article may appear elsewhere in the press.*

Registered office: 4 Coleman Street, London, EC2R 5TA

T 020 7600 1660 F 020 7600 1661 DX 119521 Finsbury Square [www.jmfinn.com](http://www.jmfinn.com)

LONDON BRISTOL LEEDS BURY ST EDMUNDS IPSWICH CARDIFF

JM Finn & Co is a trading name of J.M. Finn & Co Ltd. which is registered in England, authorised and regulated by the Financial Services Authority